



Registration of a Charge

Company name: **TAGHMEN ARGENTINA LIMITED**

Company number: **05378483**

Received for Electronic Filing: **03/11/2014**



X3JWD2UA

Details of Charge

Date of creation: **17/10/2014**

Charge code: **0537 8483 0004**

Persons entitled: **BNP PARIBAS AS ADMINISTRATIVE AGENT**

Brief description:

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION**

**FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL
INSTRUMENT.**

Certified by:

VINSON & ELKINS



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 5378483

Charge code: 0537 8483 0004

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th October 2014 and created by TAGHMEN ARGENTINA LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd November 2014 .

Given at Companies House, Cardiff on 4th November 2014

The above information was communicated by electronic means and authenticated
by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

Dated 17 October 2014

Between

PETROLATINA ENERGY LIMITED

PETROLATINA (CA) LIMITED

and

TAGHMEN ARGENTINA LIMITED

as Chargors

– and –

BNP PARIBAS

as Administrative Agent

DEBENTURE

Vinson & Elkins

CityPoint
33rd Floor
1 Ropemaker Street
London EC2Y 9UE
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Europe 434571v.7

We hereby certify that, save for material redacted pursuant to s.859G of the Companies Act 2006, this is a true copy of the original.

Signed: *Vinson & Elkins RLLP*

Date: 23 October 2014

**VINSON & ELKINS RLLP
CITYPOINT
ONE ROPEMAKER STREET
LONDON
EC2Y 9UF**

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THIS DEBENTURE is made on ___ October 2014 between the following parties:

- (1) **PETROLATINA ENERGY LIMITED**, a company incorporated in England and Wales having its registered office at 50 Jermyn Street, London SW1Y 6LX, England;
- (2) **PETROLATINA (CA) LIMITED**, a company incorporated in England and Wales having its registered office at 50 Jermyn Street, London SW1Y 6LX, England;
- (3) **TAGHMEN ARGENTINA LIMITED**, a company incorporated in England and Wales having its registered office at 50 Jermyn Street, London SW1Y 6LX, England;

((1), (2) and (3) above are together the "**Chargors**" and each a "**Chargor**"; and

- (4) **BNP PARIBAS**, of 333 Clay Street, Suite 2400, Houston, Texas 77002, United States of America, as agent and security trustee for the Secured Parties (as defined in the Credit Agreement) (the "**Administrative Agent**", which expression includes any person which is for the time being an agent for the Secured Parties).

RECITALS

- (A) The Lenders are willing to make certain loan facilities available to the Borrowers on the terms and subject to the conditions set out in the Credit Agreement.
- (B) It is a condition precedent to the making of loans under the Credit Agreement that the Chargors shall have executed and delivered this Debenture.
- (C) The Board of Directors of each Chargor is satisfied that it is entering into this Debenture for the purposes of its business and that it is doing so benefits such Chargor.
- (D) The Administrative Agent and the Chargors intend this Debenture to take effect as a deed (even though the Administrative Agent only executes it under hand).

1. INTERPRETATION

1.1 Definitions

In this Debenture the following terms have the meanings given to them in this Clause.

"**Account**" means any account now or in the future opened or maintained by the Chargors with a bank or other financial institution (and any replacement account or subdivision or subaccount of that account), all amounts from time to time standing to the credit of, or accrued or accruing on, such account.

"**Acknowledgement**" means a duly completed acknowledgement of assignment in the form set out in the relevant Part of Schedule 2 (*Forms of Notice and Acknowledgement of*) being:

- (a) Part 1B in the case of Insurances;
- (b) Part 2B in the case of Accounts; and

(c) Part 3B in the case of Material Contracts.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Collateral Account" means any Account that may from time to time be opened by a Chargor with the Administrative Agent pursuant to paragraph (a)(iii) of Clause 9 (*Accounts General*).

"Credit Agreement" means the USD 200,000,000 senior secured credit facility agreement dated on or about the date hereof and made between, *inter alios*, PetroLatina Energy Limited and others as Borrowers, BNP Paribas as Administrative Agent and the Lenders party thereto.

"Default Rate" means the rate specified in section 3.02(c) (*Interest*) of the Credit Agreement.

"Fixtures" means, in relation to any Real Property, all fixtures and fittings (including trade fixtures and fittings) and fixed plant, machinery and equipment and other items attached to the relevant Real Property whether or not constituting a fixture at law.

"Guaranty and Collateral Agreement" means the guaranty and collateral agreement dated on or about the date hereof and made between, *inter alios*, PetroLatina Energy Limited, PetroLatina (CA) Limited, Taghmen Argentina Limited, Taghmen Colombia SL and Rend Lake Corp. Panama as guarantors and BNP Paribas as Administrative Agent.

"Insurances" means all contracts and policies of insurance of whatever nature which are, from time to time, taken out by or on behalf of any Chargor or (to the extent of such interest) in which any Chargor has an interest.

"Intellectual Property Rights" means all patents, trade marks, service marks, designs, design rights, utility models, business names, topographical or similar rights, copyrights, moral rights, database rights, rights in inventions, domain names, computer software, know-how, trade secrets and confidential information and other intellectual property rights and any interests (including by way of licence) subsisting anywhere in the world in any of the foregoing (in each case whether registered or not and including all applications for the same) owned by each Chargor.

"Investments" means:

- (a) the Shares and any other shares, stocks, debentures, bonds, notes, commercial paper, certificates of deposit, interests in collective investment schemes and other securities and investments of any kind whatsoever; and
- (b) all warrants, options or other rights to subscribe for, purchase or otherwise acquire any securities and investments,

in each case whether held directly by or to the order of the Chargors or by any custodian, nominee, fiduciary, clearance system or other similar person on their behalf (and all rights against any such person).

"Liability" means any present or future obligation or liability for the payment of money, whether in respect of principal, interest or otherwise, whether actual or contingent, whether owed jointly or severally and whether as principal or surety or in any other capacity and including any amount which would constitute such a liability but for any discharge, non-provability, unenforceability or non-allowability of the same in any insolvency or other proceedings.

"Licences" means the licences detailed in Part 4 (*Licences*) of Schedule 1 (*Details of Certain Assets*) and any other licence from time to time in which a Chargor has an interest.

"Material Contracts" means the contracts detailed in Part 2 (*Material Contracts*) of Schedule 1 (*Details of Certain Assets*) and any other contract from time to time designated in writing as a Material Contract by the Administrative Agent.

"Necessary Authorisations" means all Authorisations of any person including any government or other regulatory authority required by applicable law necessary to enable it to:

- (a) lawfully enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Loan Documents to which it is a party and the transactions contemplated thereby;
- (a) ensure the legality, validity, enforceability or admissibility of any Loan Document to which it is a party in accordance with its terms;
- (b) enable it to create any Lien expressed to have been created by it or pursuant to, or, as the case may be, any Lien expressed to have been created by it and to be evidenced in, any Security Instrument and to ensure that such Security Instrument has the priority and ranking it is expressed to have in the relevant Security Instruments;
- (c) carry on its business from time to time; and
- (d) carry on its business in accordance with the Licences.

"Notice of Assignment" means a duly completed notice of assignment in the form set out in the relevant Part of Schedule 2 (*Forms of Notice and Acknowledgement of*) being:

- (a) Part 1A, in the case of Insurances;
- (b) Part 2A, in the case of Accounts; and
- (c) Part 3, in the case of Material Contracts,

or in such other form as may be approved by the Administrative Agent.

"Permitted Liens" means any Liens permitted under section 9.03 (*Liens*) of the Credit Agreement.

"Planning Acts" means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990, the Planning and Compensation Act 1991 and any re-enactment, variation or modification of any of them and any orders, regulations or permissions made, issued or granted under or by virtue of the foregoing Planning Acts or any of them.

"Real Property" means any freehold or leasehold property in England and Wales and all rights, easements and privileges from time to time attached or appurtenant thereto and all buildings, erections and Fixtures from time to time situated on or forming part of such freehold or leasehold property.

"Receiver" means a receiver and manager or any other receiver (whether appointed pursuant to this Debenture or any statute, by a court or otherwise) of all or any of the Secured Assets and shall, where permitted by law, include an administrative receiver.

"Registered Intellectual Property Rights" means patents, petty patents, utility models, registered trademarks, registered designs and registered copyright, including applications for any of the same in any part of the world.

"Related Rights" means, in relation to any asset:

- (a) the proceeds of sale of all or any part of that asset;
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
- (c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and
- (d) any monies, proceeds or income paid or payable in respect of that asset.

"Report on Title" means any report on title from time to time in relation to any Real Property of a Chargor addressed to the Secured Parties or any of them or a copy of which has been provided by or on behalf of a Chargor to the Administrative Agent for and on behalf of the Secured Parties.

"Secured Assets" means all of the assets, rights, title, interests and benefits (including the proceeds of sale of a Secured Asset) of each of the Chargors from time to time the subject of the Security.

"Secured Creditors" means each of the Secured Parties and any Receiver appointed under this Debenture.

"Secured Obligations" means the Obligations as defined in the Guaranty and Collateral Agreement.

"Secured Real Property" means all of the Real Property from time to time subject of the Security.

"Security" means the security created or intended to be created by this Debenture.

"Security Period" means the period beginning on the date of this Debenture and ending on the date upon which the Administrative Agent is satisfied that:

- (a) none of the Secured Creditors is under any obligation (whether actual or contingent) to make advances or provide other financial accommodation to the Borrowers under any of the Loan Documents; and
- (b) all Secured Obligations have been unconditionally and irrevocably paid and discharged in full.

"Shares" means the shares identified in Part 3 (*Shares*) of Schedule 1 (*Details of Certain Assets*) and all other shares in the companies identified in Schedule 1 now or in the future legally or beneficially owned by the Chargors or any nominee on their behalf.

1.2 Defined Terms

Unless this Debenture provides otherwise or the context otherwise requires, a term which is defined (or expressed to be subject to a particular construction) in the Credit Agreement shall have the same meaning (or be subject to the same construction) in this Debenture.

1.3 Continuing Event of Default

An event which constitutes an Event of Default shall be regarded as continuing if (a) the circumstances constituting such event continue and (b) neither the Agents (being duly authorised to do so) nor the Lenders have waived such of its or their rights under the Loan Documents as arise as a result of the occurrence of that event.

1.4 Incorporation of Terms

The terms of the Loan Documents are incorporated into this Debenture to the extent required for any purported disposition contained in this Debenture to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.5 References to Agreements

Unless otherwise stated, any reference in this Debenture to any agreement or document (including any reference to this Debenture or any other Loan Document or to any agreement or document entered into pursuant to or in accordance with such agreement or document) shall be construed as a reference to:

- (a) such agreement or document as amended, restated, varied, novated or supplemented from time to time; and
- (b) any agreement or document whereby such agreement or document is so amended, varied, supplemented or novated or which is entered into pursuant to or in accordance with any such agreement or document.

1.6 Certificates

A certificate of any Secured Creditor as to the amount of any Secured Obligation owed to it shall be, in the absence of manifest error, conclusive evidence of the existence and amount of such Secured Obligation.

1.7 Statutes

Any reference in this Debenture to a statute or statutory provision shall, unless the contrary is indicated, be construed as a reference to such statute or statutory provision as the same shall have been amended or re-enacted.

1.8 Nominees

If the Administrative Agent causes or requires Shares or any other asset to be registered in the name of a nominee for the Administrative Agent, any reference in this Debenture to the Administrative Agent shall, if the context so permits or requires, be construed as a reference to each of the Administrative Agent and such nominee.

1.9 Implied Covenants

In accordance with Rule 68 of the Land Registration Rules 2003:

- (a) the covenants set out in Section 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to Clauses 3 (*Fixed Charges*), 4 (*Assignments*) and 5 (*Floating Charge*) save for the words "other than any charges, incumbrances or rights which that person does not and could not reasonably be expected to know about";
- (b) the covenants set out in Section 3(2) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to Clauses 3 (*Fixed Charges*), 4 (*Assignments*) and 5 (*Floating Charge*) save for the words "except to the extent that such liabilities and rights are, by reason of (i) being, at the time of the disposition, only potential liabilities and rights in relation to the property or (ii) being liabilities and rights imposed or conferred in relation to property generally, not such as to constitute defects in title"; and
- (c) the covenants set out in Section 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 shall not extend to Clauses 3 (*Fixed Charges*), 4 (*Assignments*) and 5 (*Floating Charge*).

1.10 Third Party Rights

- (a) A person which is not a party to this Debenture (a "**third party**") shall have no rights to enforce any of its provisions except that:
 - (i) a third party shall have those rights it would have had if the Contracts (Rights of Third Parties) Act 1999 had not come into effect; and
 - (ii) each of Clauses 27.4 (*Indemnity*), 27.5 (*Value Added Tax*), 30 (*Set-Off*), 31.2 (*Currency Conversion*) and 31.3 (*Currency Indemnity*) shall

be enforceable by any third party referred to in such clause as if such third party were a party to this Debenture.

- (b) The parties to this Debenture may vary or rescind this Debenture without the consent of any third party.

1.11 Clause and Schedule Headings

- (a) Unless otherwise stated, any reference in this Debenture to a Clause or a Schedule shall be construed as a reference to a clause of or a schedule to this Debenture.
- (b) Clause and Schedule headings are for ease of reference only and shall not affect the construction of this Debenture.

1.12 Credit Agreement

The Credit Agreement shall prevail to the extent of any inconsistency with the Debenture.

1.13 Security Trustee

The Administrative Agent is appointed as security trustee for the Secured Creditors on the terms set out in Schedule 3 (*the Administrative Agent as Security Trustee*).

2. COVENANT TO PAY

2.1 Covenant to Pay

Each Chargor agrees that it will pay and discharge the Secured Obligations as and when they fall due or, if no time for payment is specified in respect of the same, promptly on demand of the Administrative Agent.

2.2 Interest

Any Secured Obligation which is owed by a Chargor under this Debenture and is not paid when due shall bear interest at the Default Rate from the due date until the date on which such Secured Obligation is unconditionally and irrevocably paid in full and such interest shall accrue from day to day (after as well as before judgment) and be payable by such Chargor on demand of the Administrative Agent.

3. FIXED CHARGES

3.1 Each Chargor, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, charges in favour of the Administrative Agent by way of first fixed charge all of such Chargor's present and future right, title and interest in and to and the benefit of (but in the case of paragraphs (c), (e) and (f) only if and to the extent the rights in question have not been effectively assigned pursuant to Clause 4 (*Assignments*) or such rights have been effectively assigned but such assignment has not been perfected by the service of the appropriate Notice of Assignment);

- (a) all of the Real Property (if any) specified in Part 1 (*Real Property*) of Schedule 1 (*Details of Certain Assets*) and all other Real Property now or subsequently vested in each Chargor;
- (b) all plant and machinery, equipment, computers, vehicles and other chattels (excluding any for the time being forming part of each Chargor's stock-in-trade or work in progress) owned by each Chargor or (to the extent of such interest) in which each Chargor has an interest and the benefit of all contracts and warranties relating to the same;
- (c) all Accounts and all Related Rights;
- (d) all Investments and all Related Rights;
- (e) the Insurances and all Related Rights;
- (f) the Material Contracts and all Related Rights;
- (g) any pension fund (to the extent permitted as a matter of law);
- (h) all Authorisations (statutory or otherwise) held in connection with the business of each Chargor or the use of any asset of any Chargor and the right to recover and receive all compensation which may at any time become payable to it in respect of the same;
- (i) all goodwill and uncalled capital of each Chargor; and
- (j) all of the Registered Intellectual Property Rights (if any) specified in Part 5 (*Registered Intellectual Property Rights*) of Schedule 1 (*Details of Certain Assets*) and all other Registered Intellectual Property Rights of each Chargor.

4. ASSIGNMENTS

4.1 Assignments

Subject to Clause 4.2 (*Non-Assignable Rights*), each Chargor, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, assigns absolutely to the Administrative Agent to hold the same on trust for the Secured Creditors on the terms set out in the Credit Agreement all its present and future right, title and interest in and to and the benefit of:

- (a) the Insurances and all Related Rights;
- (b) all Accounts and all Related Rights;
- (c) all the Material Contracts and all Related Rights; and
- (d) to the extent not charged under the provisions of paragraph (j) of Clause 3 (Fixed Charges), all Intellectual Property Rights.

4.2 Non-Assignable Rights

Each Chargor declares that to the extent that any right, title, interest or benefit in or in respect of any asset described in Clause 4.1 (*Assignments*) cannot be or is not effectively assigned pursuant to Clause 4.1 for whatever reason, each Chargor shall:

- (a) promptly notify the Administrative Agent of the same when it has knowledge thereof and the reasons therefor;
- (b) hold the benefit of the same on trust for the Administrative Agent as security for the payment and discharge of the Secured Obligations; and
- (c) take such steps as the Administrative Agent may reasonably require to remove such impediment to an assignment.

4.3 Notice of Assignment

Each Chargor shall promptly upon the execution of this Debenture and thereafter upon the reasonable request of the Administrative Agent, give notice of the assignments effected pursuant to Clause 4.1 (*Assignments*) by sending a Notice of Assignment to:

- (a) in relation to the Insurances, each of the insurers party to each such Insurance;
- (b) in relation to the Accounts, each bank or other financial institution with which each such Account is maintained; and
- (c) in relation to the Material Contracts, each debtor or obligor party to each such Material Contract (including any relevant landlord or tenant),

and each Chargor shall use all its reasonable endeavours to procure that within 15 days of the date of the relevant Notice of Assignment the recipient thereof acknowledges the same in the form of the relevant Acknowledgement.

4.4 Licence Back of Intellectual Property Rights

The Administrative Agent hereby grants to each Chargor an exclusive, royalty-free licence to use and to have used on its behalf and to sub-license all Intellectual Property Rights assigned under this Clause 4 at any time whilst no Event of Default has occurred and is continuing. Subject to paragraph (b) of Clause 12.1 (*Notification*), the grant of licence under this Clause 0 includes the grant to the each Chargor of the sole right to take action against, and compromise or make settlements

with, any third parties infringing the Intellectual Property Rights in satisfaction of each Chargor's obligations under paragraph (b) of Clause 12.2 (*Protection*).

5. FLOATING CHARGE

5.1 Creation of Floating Charge

- (a) Each Chargor, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, charges in favour of the Administrative Agent to hold the same on trust for the Secured Creditors on the terms set out in the Credit Agreement by way of a first floating charge all its undertaking and assets whatsoever and wheresoever both present and future, not effectively charged pursuant to Clause 3 (*Fixed Charges*) or effectively assigned pursuant to Clause 4 (*Assignments*).
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created pursuant to this Clause 5.

5.2 Conversion of Floating Charge

- (a) The Administrative Agent may, by notice to the Chargors, convert the floating charge created under this Debenture with immediate effect into a fixed charge if:
 - (i) the Security becomes enforceable in accordance with Clause 17 (*Enforcement of Security*);
 - (ii) the Administrative Agent in good faith considers any of the Secured Assets to be in danger of being seized or sold under or pursuant to any form of distress, attachment, execution or other legal process or otherwise to be in jeopardy; or
 - (iii) the Administrative Agent considers such conversion to be necessary or desirable to protect the priority of the Security,and such fixed charge shall apply to all assets the subject of the floating charge unless and to the extent that such notice otherwise specifies.
- (b) The floating charge created under this Debenture shall (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge (without notice) as regards all the assets subject to the floating charge at such time:
 - (i) upon the convening of a meeting of the members of any of the Chargors to consider a resolution to wind up such Chargor and which is not vexatious, groundless or otherwise an abuse of process; or
 - (ii) upon the presentation of a petition to wind up a Chargor; or
 - (iii) upon the presentation or making of an application for a warrant of execution, a writ or warrant of control or a third party debt order or charging order in respect of any of the Secured Assets the subject of

the floating charge under this Debenture unless such action is being actively opposed by such Chargor in good faith and is denied or otherwise ceases to remain pending 30 days after the commencement thereof; or

- (iv) if any of the Chargors fails to comply with its covenant in Clause 8.2 (*Negative Pledge and Disposals*) of this Debenture,

provided that nothing in this Debenture shall cause the floating charge to crystallise by reason of the Chargors obtaining or of anything being done with a view to the Chargors obtaining a moratorium under Section 1A of and Schedule A1 to the Insolvency Act 1986.

- (c) The giving of notice by the Administrative Agent pursuant to paragraph (a) above in relation to any of the Secured Assets shall not be construed as a waiver or abandonment of the right of the Administrative Agent to serve similar notices in respect of any other of the Secured Assets or of any other of the rights of the Secured Creditors (or any of them) under any Loan Document.

6. COMMON PROVISIONS AND CONTINUING SECURITY

6.1 Administrative Agent

The Administrative Agent holds the Security and the benefit of this Debenture on trust for the Secured Creditors on the terms of this Debenture and the Credit Agreement.

6.2 Continuing and Independent Security

The Security shall constitute and be continuing security which shall not be released or discharged by any intermediate payment or settlement of all or any of the Secured Obligations, shall continue in full force and effect until the end of the Security Period and is in addition to and independent of, and shall not prejudice or merge with, any other security (or any right of set-off) which the Administrative Agent or any other Secured Creditor may hold at any time for the Secured Obligations or any of them.

6.3 New Accounts

If the Administrative Agent receives notice of any Lien created or arising after the date of this Debenture in respect of the Secured Assets or any of them or makes demand of any Chargor for payment of any or all of the Secured Obligations:

- (a) the Administrative Agent may open a new account or accounts in respect of any or all of the Secured Obligations (and if it does not do so it shall be treated as if it had done so at the time it received such notice or made such demand); and
- (b) thereafter any amounts paid to the Administrative Agent in respect of the Secured Obligations, or realised or recovered by the Administrative Agent under this Debenture, shall be credited to a new account (or be treated as having been so credited) and not applied (or be treated as having been applied) in or towards payment of all or any of the Secured Obligations.

6.4 Avoidance of Payments

Where any release, discharge or other arrangement in respect of any Secured Obligation or any security the Administrative Agent may hold for such Secured Obligation is given or made in reliance on any payment or other disposition which is avoided or must be repaid in an insolvency, liquidation or otherwise, and whether or not the Administrative Agent has conceded or compromised any claim that any such payment or other disposition will or should be avoided or repaid, this Debenture and the Security shall continue as if such release, discharge or other arrangement had not been given or made.

6.5 Appropriation

Subject to the terms and conditions of the Credit Agreement, neither the Administrative Agent nor any other Secured Creditor shall be obliged to apply any sums held or received by it in respect of the Secured Obligations in or towards payment of the Secured Obligations and any such sum shall be held by or paid to the Administrative Agent for application pursuant to the terms of this Debenture.

7. REPRESENTATIONS AND WARRANTIES

Each of the Chargors makes the representations and warranties set out in this Clause to each Secured Creditor and acknowledges that each of the Secured Creditors has entered into the Loan Documents to which it is party in reliance on such representations and warranties.

7.1 Execution of this Debenture

Its execution of this Debenture and the exercise of its rights and performance of its obligations under this Debenture do not and will not conflict with:

- (a) any agreement, mortgage, bond or other instrument or treaty to which it is a party or which is binding upon it or any of its assets or, except as provided in this Debenture or the other Security Instruments, result in a requirement for the creation of any Lien over any of its asset in any way; or
- (b) any applicable law, regulation or official or judicial order,

in each case subject to applicable insolvency, reorganisation, moratorium or other laws affecting creditor's rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

7.2 No Deductions or Withholdings

Provided that each Lender is a UK Qualifying Lender, it will not be required to make any deduction for or withholding on account of tax from any payment it may make under this Debenture.

7.3 No Filing or Stamp Taxes

It is not necessary that this Debenture be filed, recorded or enrolled with any court or other authority in England and Wales or that any stamp, registration or similar tax be

paid on or in relation to this Debenture, unless it is to be produced to a court as evidence, save that it is registrable under the Companies Act 2006 and under the Land Registration Act 2002 and at the United Kingdom Intellectual Property Office.

7.4 Solvency

It is not insolvent or unable to pay its debts (including subordinated and contingent debts), nor could it be deemed by a court to be unable to pay its debts within the meaning of Section 123(1) or 123(2) of the Insolvency Act 1986 (provided that, for the purposes of Section 123(1)(a) of the Insolvency Act 1986, the figure of £750 shall be deemed to be £250,000) nor will it become so in consequence of entering into and/or performing any of the transactions contemplated by the Loan Documents or the Security Instruments.

7.5 No Adverse Interests

Subject only to the Security and any Permitted Liens, no person other than the Chargors has any legal or beneficial interest (or any right to claim any such interest) in the Secured Assets (subject to applicable insolvency, reorganisation, moratorium or other laws affecting creditor's rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law) and the Chargors have not received notice of any such claim.

7.6 No Disposals

Save as otherwise expressly permitted under the Loan Documents, it has not transferred, mortgaged, charged or otherwise disposed of (or agreed to transfer, mortgage, charge or otherwise dispose of), whether by way of security or otherwise, the benefit of all or any of its right, title and interest in and to the Secured Assets or any part of the Secured Assets.

7.7 Investments

- (a) It is the sole beneficial owner of each of its Investments and any Related Rights and it or its nominee is (save as otherwise expressly permitted under the Loan Documents) the legal owner of its Investments and all such Related Rights.
- (b) Its Investments and all Related Rights are within the Chargor's disposition and control and the terms of each Investment and each Related Right, if applicable, and of the Memorandum and Articles of Association or other constitutive documents of each issuer of such Investments do not restrict or otherwise limit the Chargor's ability to transfer, mortgage, charge or otherwise grant security in respect of any of its Investments and/or the Related Rights.
- (c) Save as otherwise expressly permitted under the Loan Documents, it will not take any action whereby the rights attaching to, or the Security over, its Investments and the Related Rights are altered, diluted or otherwise adversely affected except with the prior written consent of the Administrative Agent.
- (d) As at the date of this Debenture, its Investments are fully paid or credited as fully paid and no calls have been made in respect of them which remain unpaid.

- (e) Save as otherwise expressly permitted under the Loan Documents, it has not sold or granted any rights of pre-emption over or agreed to sell or grant any right of pre-emption over or otherwise disposed of or agreed to dispose of the benefit of all or any of its rights, title, interests or benefits in, to or in respect of all or any of its Investments or any of the Related Rights.

7.8 Reports on Title

None of the information supplied by it in connection with the preparation of any Reports on Title (as modified or supplemented by other information in writing sent to the Administrative Agent) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

7.9 Real Property

Save as disclosed in writing to the Administrative Agent prior to the date of this Debenture, or as otherwise expressly permitted under the Loan Documents:

- (a) Each Chargor is the legal and beneficial owner of the Property specified in Part 1 (Real Property) of Schedule 1 (Details of Certain Assets) as being owned by it and has good and marketable title to such Property.
- (b) All of the Real Property owned by any Chargor is free from any mortgage, debenture, charge, rent charge or any other Lien (save for those created by or pursuant to this Debenture).
- (c) There subsists no breach of any Planning Acts, bye-laws or local authority or statutory requirements which could reasonably be expected to have a Material Adverse Effect on the value of all or any part of the Real Property owned by any Chargor.
- (d) There are no covenants, agreements, stipulations, reservations, conditions, interest, rights or other matters whatsoever affecting all or any part of the Real Property owned by any Chargor (save for those created by or pursuant to this Debenture) which could reasonably be expected to have a Material Adverse Effect on the value of all or any part of such Real Property.
- (e) Nothing has arisen or been created or is subsisting which would be or would create an overriding interest over or which could reasonably be expected to have a Material Adverse Effect on the value of all or any part of the Real Property owned by any Chargor.
- (f) No facilities necessary for the enjoyment and use of all or any part of the Real Property owned by any Chargor, are enjoyed by such Real Property on terms entitling any person (other than any Chargor) to terminate or curtail its or their use.
- (g) The Chargors have received no notice of any adverse claims by any person in respect of the ownership of all or any part of the Real Property owned by any Chargor, which if adversely determined is likely to have a Material Adverse

Effect, or any interest in it, nor has any acknowledgement been given to any person in respect of any such claim on any such Real Property.

- (h) All of the Real Property owned by any Chargor is free from any tenancies or licences which could reasonably be expected to have a Material Adverse Effect on the value of all or any part of such Real Property owned by any Chargor.

7.10 Intellectual Property Rights

- (a) The Intellectual Property Rights owned by each Chargor or licensed to it are, to the best of its knowledge and belief having made due and careful enquiry, all the Intellectual Property Rights required by it in order for it to carry on, maintain and operate its business, properties and assets.
- (b) No Chargor, to the best of its knowledge and belief having made due and careful enquiry, is infringing any Intellectual Property Rights of any third party.
- (c) Save as permitted under the Loan Documents, the Registered Intellectual Property Rights owned by each Chargor are free of any Liens and any other rights or interests (including, without limitation, any licences) in each case in favour of third parties.
- (d) To the best of its knowledge and belief having made due and careful enquiry, none of the Intellectual Property Rights owned by each Chargor is being infringed, nor is there any threatened infringement of the same which, in either case, would be reasonably likely to have a Material Adverse Effect.
- (e) All Registered Intellectual Property Rights of each Chargor are properly registered in the relevant register and all maintenance and renewal fees due in respect thereof at the date of this Debenture have been paid, save, which, in each case, failure to do so would be reasonably likely to have a Material Adverse Effect.
- (f) None of the Registered Intellectual Property Rights of any Chargor is being opposed, nor is any third party seeking its invalidation or revocation, where such opposition, invalidation and/or revocation (as applicable) would be reasonably likely to have a Material Adverse Effect.

7.11 Account Terms

Subject to the terms and conditions of the Loan Documents, the terms on which its Accounts are maintained do not restrict or otherwise limit its right to transfer or charge such Accounts in accordance with this Debenture.

7.12 Repetition

The representations and warranties set out in this Clause 7:

- (a) are made on the date of this Debenture;
- (b) are made on the date of each Borrowing Request, the date of each Borrowing and on the first day of each Interest Period; and

- (c) are deemed to be repeated on each day during the Security Period with reference to the facts and circumstances then existing.

8. GENERAL UNDERTAKINGS

8.1 Authorisations

Each of the Chargors shall obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all Necessary Authorisations required in or by any applicable laws to enable it lawfully to enter into and perform its obligations under this Debenture and to ensure the legality, validity, enforceability and admissibility in evidence in England and Wales of this Debenture.

8.2 Negative Pledge and Disposals

The Chargors shall not:

- (a) create or permit to subsist any Lien over all or any of their present or future assets other than Permitted Liens; and
- (b) dispose of any of their assets except to the extent and in the manner expressly permitted under the Loan Documents.

8.3 No Prejudicial Action and Maintenance

(a) The Chargors shall not:

- (i) take any action which would cause any of the representations made in Clause 7 (*Representations and Warranties*) to be untrue or incorrect in any material respect at any time during the Security Period; or
- (ii) do or permit to be done anything which could reasonably be expected to prejudice the Security, save as permitted pursuant to any of the Loan Documents.

(b) The Chargors shall:

- (i) notify the Administrative Agent of the occurrence of any event which results in (or might reasonably be expected to result in) any of the representations contained in Clause 7 (*Representations and Warranties*) being untrue or incorrect in any material respect when made or when deemed to be repeated;
- (ii) keep or cause to be kept all the Secured Assets in good working order and condition (fair wear and tear arising from the use of the Secured Assets in the ordinary course of its business excepted); and
- (iii) ensure that representatives of the Administrative Agent (with or without surveyors, workmen or others) are able at all reasonable times and on reasonable notice to view the condition of any of the Secured Assets.

9. ACCOUNTS AND RECEIPTS

9.1 Accounts General

- (a) Each Chargor confirms that the details of each of its respective Accounts are set out in Schedule 1 Part 6 (*Accounts*).
- (b) Each of the Chargors will:
 - (i) if any change in the details of each of its Accounts as set out in Schedule 1 Part 6 (*Accounts*) occurs following the date of this Debenture (including any renewal or redesignation of any such Account) or any new Account is opened, deliver to the Administrative Agent details of such change or new Account on the date of such change or opening);
 - (ii) not, without the prior written consent of the Administrative Agent, or save as may be permitted under any of the Loan Documents, permit or agree to any variation of the rights attaching to, or close, any such Account; and
 - (iii) open such new Collateral Accounts, as the Administrative Agent shall require (whether before or after the Security has become enforceable) for the purposes of Clause 9.3 (*Book and Other Debts after Security becomes Enforceable*).
- (c) Without prejudice and in addition to Clause 8.2 (*Negative Pledge and Disposals*):
 - (i) Save as may be permitted under the Loan Documents, the benefit of each Account and each Account shall not be capable of assignment or charge in whole or in part (save pursuant to this Debenture); and
 - (ii) each Chargor agrees that it will not assign (whether by way of sale or mortgage), charge or otherwise seek to deal with or dispose of all or any part of any Account or any Account without the prior written consent of the Administrative Agent (in its capacity as Administrative Agent under this Debenture) except as permitted by any Loan Document.

9.2 Withdrawals

The Chargors shall enjoy full access to and right of withdrawal from the Accounts, unless and until an Event of Default has occurred and is continuing and the Administrative Agent has provided a notice hereunder to such Chargor in relation thereto restricting such access and right of withdrawal.

9.3 Book and Other Debts after Security becomes Enforceable

If and to the extent that the Administrative Agent so specifies, at any time after the Security has become enforceable, the Chargors shall pay the proceeds of payment or realisation of such of the Chargors' assets comprising temporary and other

investments, book and other debts, royalties, fees and income of like nature or other monies received by the Chargors as the Administrative Agent in accordance with section 10.02(c) (*Remedies*) of the Credit Agreement.

9.4 Accounts after Security becomes Enforceable

Upon the Security becoming enforceable, the Administrative Agent may:

- (a) immediately serve notice on each bank or other financial institution with which any Account is maintained stating that the Security has become enforceable; and
- (b) exercise from time to time, all rights, powers and remedies of the Chargors in relation to any or all of their Accounts, including to demand and receive all and any monies standing to the credit of any such Accounts.

10. MATERIAL CONTRACTS

10.1 Documents

The Chargors will deliver to the Administrative Agent promptly following execution of the same such documents relating to the Material Contracts as the Administrative Agent may reasonably require for the purposes of this Debenture.

10.2 No Amendments

The Chargors will not:

- (a) amend, supplement, supersede or waive any provision of any Material Contract, exercise any right to rescind, cancel or terminate any Material Contract or release any counterparty from any obligations under any Material Contract; or
- (b) waive any breach by any counterparty or consent to any act or omission which would otherwise constitute such a breach,

except as permitted by the terms of the other Loan Documents or for administrative or operational reasons that do not prejudice the Secured Parties, provided that the relevant Chargors shall notify the Administrative Agent of any such amendment made for such administrative or operational reasons.

10.3 Performance

Each Chargor will:

- (a) duly and promptly perform its obligations and, unless the Administrative Agent shall otherwise require, diligently pursue its rights and remedies under each such Material Contract; and
- (b) notify the Administrative Agent of any material breach of or default under a Material Contract by it or any other party and any right that arises entitling it or any other party to terminate or rescind a Material Contract, promptly on becoming aware of the same.

10.4 Restriction on Dealing

Without prejudice and in addition to Clause 8.2 (*Negative Pledge and Disposals*) the Chargors will not assign, transfer, charge or otherwise deal with or dispose of any Material Contract or any of the Chargors' rights, title, interest and benefits in, to and in respect of any Material Contract save as permitted under the Loan Documents.

11. INVESTMENTS

11.1 Deposit of Certificates

Each Chargor will:

- (a) on the date of this Debenture in respect of the Shares specified in Part 3 (*Shares*) of Schedule 1 (*Details of Certain Assets*), and as soon as reasonably practicable following the date of acquisition in respect of any additional Shares deliver to the Administrative Agent (a) the share certificates and (a) stock transfer forms (duly executed in blank by or on behalf of such Chargor or its nominees as appropriate); and
- (b) on the date of this Debenture, or if later, as soon as reasonably practicable following the date of acquisition of any Investment:
 - (i) deposit with the Administrative Agent (or as the Administrative Agent may direct) all other certificates and documents of title or evidence of ownership in relation to such Investments and any Related Rights as may be requested by the Administrative Agent; and
 - (ii) execute and deliver to the Administrative Agent all such other transfer forms and documents as may be requested by the Administrative Agent in order to enable the Administrative Agent (or its nominee) to become registered as the owner, or otherwise obtain legal title to such Investments and Related Rights.

11.2 Not Prejudice

Save as permitted pursuant to the terms of the Loan Documents, without prejudice and in addition to Clause 8.3 (*No Prejudicial Action and Maintenance*), the Chargors shall not, by the exercise of any voting rights or otherwise, permit or agree to:

- (a) any variation of the rights attaching to or conferred by all or any part of their Investments, or
- (b) any increase in the issued share capital of any company whose shares are charged pursuant to this Debenture; or
- (c) any other matter,

in each case which, in the opinion of the Administrative Agent would, or would be reasonably likely to, impair the value of, or prejudice the ability of the Administrative Agent to realise, the Security or otherwise prejudice the interests of any Secured Party under any Loan Document.

11.3 Calls and other Payments

Each Chargor shall pay when due all calls or other requests for payments made in respect of any of its Investments and the Related Rights. If such Chargor fails to make any such payment the Administrative Agent may make such payment on behalf of such Chargor and if the Administrative Agent does so the Chargor shall promptly on demand of the Administrative Agent pay to the Administrative Agent an amount equal to such payment.

11.4 Notices

Each Chargor shall, promptly upon receipt by it, deliver to the Administrative Agent copies of any notices, reports, accounts, statements, circulars or any other documents distributed to its shareholders relating to any of its Investments or the Related Rights.

11.5 Rights Before Security Enforceable

Until the Security has become enforceable, the Chargors may:

- (a) receive and retain all dividends, interest and other monies arising from the Investments and the Related Rights as permitted by the Loan Documents; and
- (b) subject to Clause 11.2 (*Not Prejudice*), exercise all voting rights in relation to the Investments in a manner consistent with the Loan Documents.

11.6 Rights after Security Enforceable

At any time after the Security has become enforceable, the Administrative Agent may at its discretion (in the name of the Chargors or otherwise and without any further consent or authority from the Chargors) subject to the terms and conditions of the Credit Agreement:

- (a) complete all stock transfer forms and other documents of title then held by the Administrative Agent pursuant to this Debenture in the name of the Administrative Agent (or its nominee) and the Chargors shall extend the fullest co-operation to the Administrative Agent to secure the prompt registration of such transfer and the prompt issue of a new certificate or certificates for the relevant Investments in the name of the Administrative Agent (or its nominee);
- (b) exercise (or refrain from exercising) any voting rights in respect of any of the Chargor's Investments and all other powers and rights conferred on or exercisable by a legal or beneficial owner of the Investments;
- (c) apply all dividends, interest and other monies arising from or pursuant to the Chargors' Investments as if they were proceeds of sale under this Debenture; and
- (d) exercise or refrain from exercising the rights of a legal owner of the Investments, including the right, in relation to any company whose shares or other securities are included in the Investments, to concur or participate in:

- (i) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);
- (ii) the realisation, modification or variation of any rights or liabilities attaching to any such shares or securities; and
- (iii) the exercise, renunciation or assignment of any right to subscribe for any such shares or securities,

in each case in such manner and on such terms as the Administrative Agent may think fit.

12. INTELLECTUAL PROPERTY RIGHTS

12.1 Notification

- (a) Each Chargor will notify the Administrative Agent with details of all Registered Intellectual Property Rights (including applications for registration) granted to or filed by or on behalf of the relevant Chargor that come into existence after the date of this Debenture; and
- (b) promptly notify the Administrative Agent of any existing or future contract for it to acquire (by licence or otherwise) any material Intellectual Property Rights.

12.2 Protection

Each Chargor will:

- (a) make such applications for patents and for registration of designs, trade marks or service marks and pay such application, search, translation, registration and renewal fees, and similar amounts as are necessary fully to protect and to keep in force all of its Intellectual Property Rights where failure to do so would be reasonably likely to have a Material Adverse Effect; and
- (b) take such steps as may be necessary (including, without limitation, the institution of legal proceedings) to prevent third parties infringing any of its Intellectual Property Rights (including but not limited to the Registered Intellectual Property Rights set out in Part 5 (*Registered Intellectual Property Rights*) of Schedule 1 (*Details of Certain Assets*) and the Intellectual Property Rights assigned to the Administrative Agent under paragraph (d) of Clause 4.1 (*Assignments*)) where failure to do so would be reasonably likely to have a Material Adverse Effect.

12.3 Not Prejudice

Save as permitted under the Loan Documents, without prejudice and in addition to Clause 8.3 (*No Prejudicial Action and Maintenance*), no Chargor will, without the prior written consent of the Administrative Agent:

- (a) sell, assign, transfer, license, mortgage or otherwise dispose of or encumber all or any part of its Intellectual Property Rights; or
- (b) permit any such Intellectual Property Rights to be abandoned or cancelled, to lapse or to be liable to any claim of revocation for non-use or otherwise.

12.4 Registration

In respect of (a) the Registered Intellectual Property Rights specified in Part 5 (*Registered Intellectual Property Rights*) of Schedule 1 (*Details of Certain Assets*) and (b) any future Registered Intellectual Property Rights granted to any Chargor at any time after the date of this Debenture, in each case, against which this Debenture may be recorded, promptly file with the patent or other intellectual property office in the jurisdiction where such Registered Intellectual Property Rights are registered or have been applied for such form (together with the payment of any required fee) as is necessary properly to register the existence of this Debenture and the rights and interests created by it within any applicable time periods. For the avoidance of doubt, all costs incurred by either a Chargor or the Administrative Agent, acting reasonably, (including but not limited to official fees and legal fees) in connection with such records shall be borne by the Chargors.

13. REAL PROPERTY

13.1 General Real Property Undertakings

Each Chargor shall:

- (a) keep or cause to be kept in good and substantial repair, decoration and good working order all buildings and erections on its Real Property and other plant, machinery, implements and other effects for the time being owned by it and where necessary replace the same with items of similar quality and value;
- (b) ensure that the Administrative Agent or any authorised representative of the Administrative Agent is able at all reasonable times, and on receipt of reasonable notice, to inspect and enter into or onto (as the case may be) any of its Real Property;
- (c) not fix or permit the affixing of any property to any of its Real Property which property is not itself a Secured Asset;
- (d) duly and punctually perform and at all times observe all covenants and stipulations (restrictive or otherwise) affecting all or any part of its Real Property and indemnify each Secured Creditor in respect of any breach thereof (or if the lessor and, to the extent necessary, ensure that all such matters to be complied with by any third party are so complied with) and not do or suffer to be done any act or thing, save as permitted under the Loan Documents, whereby any lease or leases comprising such Real Property may become liable to forfeiture or otherwise be determined or agree any variation, surrender or termination thereof without the prior written consent of the Administrative Agent;

- (e) promptly notify the Administrative Agent in writing upon the acquisition by such Chargor of any Real Property after the date of this Debenture and of any Lien existing in respect of any Real Property acquired by it after the date of this Debenture and, on demand of the Administrative Agent and at the cost of such Chargor, execute and deliver to the Administrative Agent a charge by way of legal mortgage (or such other security as the Administrative Agent may require) in favour of the Administrative Agent of any Real Property and all Fixtures relating thereto which becomes vested in it after the date of this Debenture to secure the payment or discharge of the Secured Obligations in such form as the Administrative Agent may reasonably require; in the case of any leasehold property in relation to which the consent of the landlord is required in order for the Chargors to perform any of the foregoing obligations, the Chargors shall use their reasonable endeavours to obtain such consent promptly and shall notify the Administrative Agent in writing upon receipt of such consent;
- (f) use its Real Property only for such purpose or purposes as may for the time being be authorised as the permitted use or user thereof under or by virtue of the Planning Acts;
- (g) not without the prior written consent of the Administrative Agent, carry out or permit to be carried out on any part of its Real Property, save as permitted under the Loan Documents, any development (within the meaning of that expression in the Planning Acts and being a development in respect of which the permission of the local planning authority is required) or make any application for planning permission;
- (h) not, without the prior written consent of the Administrative Agent, save as permitted under the Loan Documents:
 - (i) grant or agree to grant or otherwise suffer to be created (whether in exercise or independently of, any statutory power) any lease, tenancy, contractual licence or interest to occupy or permit to assign, underlet or part with possession of all or any part of its Real Property;
 - (ii) accept a surrender of any lease, tenancy, contractual licence or interest to occupy;
 - (iii) agree any reduction in the rent payable or release, defer, waive or vary any obligation under, or the terms of, or exercise any option or power to break, determine or extend any such lease;
 - (iv) commence any forfeiture proceedings in respect of any lease;
 - (v) agree to any rent review in respect of any lease;
 - (vi) consent to any assignment of any tenant's interest under any lease; or
 - (vii) grant any sublease or confer upon any person any contractual licence or right to occupy all or any part of its Real Property;

- (i) in respect of any Real Property which is acquired after the date of this Debenture by or on behalf of such Chargor, the title to which is or is required to be registered at the Land Registry under the Land Registration Act 2002, promptly notify the Administrative Agent of the title number(s), make the necessary application to the Land Registry for the registration of such Chargor as the Registered Proprietor thereof, and contemporaneously with the making of such application to the Land Registry, apply to the Chief Land Registrar to enter a Notice in respect of the legal mortgage referred to in paragraph (e) above in the charges register and to enter the restriction set out in Clause 33 (*The Land Registry*) (as repeated in the said legal mortgage) in the Proprietorship Register in each case in respect of each such registrable title, and shall procure that each such Notice and each such restriction is so entered;
- (j) deposit with the Administrative Agent (who shall be entitled to hold the same during the Security Period) (i) all deeds and documents of title relating to its Real Property (whenever acquired by such Chargor), (ii) all Local Land Charges, Land Charges and Land Registry Search Certificates and similar documents received by or on behalf of such Chargor within the three months immediately prior to the date of this Debenture or, in the event any Real Property is acquired after the date of this Debenture, within the three months prior to the acquisition of such Real Property and (iii) any leases and agreements for lease granted by or to a Chargor from time to time;
- (k) grant the Administrative Agent, or its lawyers on request, all reasonable facilities within the power of the Chargors to enable such lawyers to carry out investigations of title of all or any part of the Real Property of the Chargors which is or may become subject to this Security, and enquiries into such matters in connection therewith as would usually be carried out by a prudent mortgagee; all such investigations and enquiries shall be at the expense of the Chargors;
- (l) promptly on demand by the Administrative Agent, provide to the Administrative Agent a Report on Title in relation to any of its Real Property which is or may become subject to this Security;
- (m) not, without the prior written consent of the Administrative Agent, enter into any negotiations with any competent authority with regard to the compulsory acquisition of any of its Real Property or consent to the compulsory acquisition of any of its Real Property, and, if so requested by the Administrative Agent, permit the Administrative Agent or its authorised representatives to conduct such negotiations or to give such consent on the Chargors' behalf; or
- (n) within 14 days after the receipt by the Chargors of any application, requirement, order or notice served or given by any public, local or other authority with respect to any of the Real Property (or any part of it) deliver a copy to the Administrative Agent and inform the Administrative Agent of the steps taken or proposed to be taken to comply with the relevant requirement;
- (o) not appoint any managing agent of any of its Real Property without the prior consent of, and on terms approved by, the Administrative Agent and the Chargors shall ensure that each such managing agent: (A) enters into a duty of care agreement with the Administrative Agent in form and substance

satisfactory to the Administrative Agent and (B) acknowledges to the Administrative Agent that it has notice of the Security; if any such managing agent is in default of its obligations under the relevant management agreement and, as a result, the Chargors are entitled to terminate that management agreement then, if the Administrative Agent so requires, the Chargors must promptly use all reasonable endeavours to terminate the management agreement and appoint a new managing agent whose identity and terms of appointment are acceptable to the Administrative Agent;

- (p) if the Chargors fail to observe or perform any material undertaking affecting any of the Real Property (or any part of it), allow the Administrative Agent or its agents and contractors to:
- (i) enter into any part of the Real Property;
 - (ii) comply with or object to any notice served on the Chargors in respect of the Real Property; and
 - (iii) take any action as the Administrative Agent may reasonably consider necessary or desirable to prevent or remedy any breach of any such term or to comply with or object to any such notice,

and the Chargors shall immediately on request by the Administrative Agent pay the costs and expenses of the Administrative Agent or its agents and contractors incurred in connection with any action taken by it under this paragraph (p); and

- (q) perform all its obligations under any law or regulation in any way related to or affecting the Real Property.

13.2 Secured Real Property

Each Chargor shall:

- (a) promptly pay, as and when the same shall become payable, all rent, taxes, rates, duties, charges, assessments and outgoings whatsoever payable in respect of any of the Secured Real Property and produce to the Administrative Agent on reasonable demand the related receipts;
- (b) duly and punctually perform and observe all its obligations in connection with the Secured Real Property under any present or future statute or any regulation, order or notice made or given;
- (c) in the case of any plant, machinery or equipment subject to a fixed charge located on leasehold premises (where a Chargor is not the lessor), obtain written confirmation from the lessor of such premises that it waives absolutely all rights it may have now or at any time in the future over such plant, machinery and/or equipment; and
- (d) if so requested by the Administrative Agent, place and maintain on each Secured Real Property subject to a fixed charge hereunder, in a conspicuous place, an identification plaque containing the following wording:

"NOTICE OF CHARGE

This [description of relevant Secured Real Property] is subject to a first fixed charge in favour of BNP Paribas".

and not conceal, alter or remove such plaque or permit it to be concealed, altered or removed.

14. INSURANCES

14.1 Insured Risks

The Chargors shall insure and keep insured those of the Secured Assets of an insurable nature in accordance with the Loan Documents.

14.2 Note of Interest

The Chargors shall procure that a note of the interest of the Administrative Agent is endorsed, and the Administrative Agent is endorsed as loss payee, upon all Insurances which shall at any time during the subsistence of this Security be effected, maintained or held by the Chargors or any person.

14.3 Avoidance of Insurance and Premiums

The Chargors shall:

- (a) not do or omit to do, or permit or suffer to be done or omitted to be done, anything if that action or omission could reasonably be expected to render any of the Insurances void, voidable or unenforceable; and
- (b) promptly pay or procure payment of all premiums and do all other things necessary to keep all of the Insurances in force and, on demand of the Administrative Agent, produce to the Administrative Agent on demand the policy, certificate or cover note relating to each Insurance and related premium receipts.

15. FURTHER ASSURANCE

The Chargors shall from time to time and at their own expense, give all such assurances and do all such things as the Administrative Agent may reasonably require to enable the Administrative Agent to perfect, preserve or protect the Security or the priority of the Security or to exercise any of the rights conferred on the Administrative Agent or the Secured Creditors by this Debenture or by law and to that intent the Chargors shall execute all such instruments, deeds and agreements, obtain all consents, approvals and other authorisations necessary to create legally and validly, without any breach of contract or duty, the fixed charges and to effect the assignments envisaged under Clauses 3 (*Fixed Charges*) and 4 (*Assignments*) respectively, and shall give all such notices and directions as the Administrative Agent may consider expedient. The obligations of the Chargors under this Clause 15 are in addition to the covenants for further assurance deemed to be included by virtue of the Law of Property (Miscellaneous Provisions) Act 1994.

16. POWER TO REMEDY

Without prejudice to the Administrative Agent's rights under Clause 8 (*General Undertakings*), if a Chargor fails to comply with any of its obligations in relation to any of its assets under this Debenture, or the Administrative Agent reasonably considers that a Chargor has failed to comply with any such obligations, the Administrative Agent may, if it thinks fit (but without any obligation) take such steps as it deems appropriate, acting reasonably, to remedy such failure (including, without limitation, the carrying out of repairs, the putting in place of insurance or the payment of costs, charges or other expenses) and the Chargors will co-operate with and will grant the Administrative Agent or its agents or contractors such access as the Administrative Agent may require to the relevant assets or otherwise in order to facilitate the taking of such steps.

17. ENFORCEMENT OF SECURITY

17.1 Security Enforceable

The Security shall become immediately enforceable if an Event of Default has occurred and is continuing.

17.2 Enforcement

At any time after the Security has become enforceable, the Administrative Agent may in its absolute discretion enforce all or any part of the Security and exercise any of the rights conferred on it by this Debenture or by law at such times and in such manner as it thinks fit.

17.3 Rights of the Chargors on Enforcement

Upon the Security becoming enforceable, the Chargors may not, without the prior written consent of the Administrative Agent, withdraw any monies from any Account, compromise, compound, vary, discharge, postpone or release any of their rights to receive monies or otherwise waive any rights of action in relation thereto or do or omit to do anything if that action or omission might delay or prejudice the full recovery thereof other than, save to the extent the Administrative Agent otherwise instructs the Chargors in writing, granting extensions to normal trade credit in accordance with its reasonable and, in the circumstances then prevailing, prudent management of its debtors on a normal commercial basis.

17.4 Power of Sale

At any time after the Security has become enforceable, the Administrative Agent may (without notice to the Chargors) sell or otherwise dispose of the Secured Assets or any of them and shall be entitled to apply the proceeds of such sale or other disposal in paying the costs of such sale or disposal and thereafter in or towards the discharge of the Secured Obligations or otherwise as provided for in this Debenture or the Credit Agreement.

17.5 Statutory Powers

For the purposes of all powers implied by statute, the Secured Obligations shall be deemed to have become due and payable on the date of this Debenture.

17.6 Law of Property Act

Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Debenture or to any exercise by the Administrative Agent of its right to consolidate mortgages or its power of sale. The statutory powers of leasing conferred on the Administrative Agent shall be extended so as to authorise the Administrative Agent to lease, make agreements for leases, accept surrenders of leases and grant such options as the Administrative Agent shall think fit and without the need to comply with any of the provisions of Sections 99 and 100 of the Law of Property Act 1925, and Clause 17.2 (*Enforcement*) shall operate as a variation and extension of Section 101 of such Act.

17.7 Appropriation of Financial Collateral

To the extent that the Secured Assets constitute "financial collateral" and this Debenture constitutes a "security financial collateral arrangement" (as defined in the Financial Collateral Arrangements (No 2) Regulations 2003 (SI 2003 No. 3226)), the Administrative Agent may appropriate all or any part of the Secured Assets in or towards satisfaction of the Secured Obligations, the value of the property so appropriated being the amount standing to the credit of the relevant Account (where the property is the benefit of an Account) or (in any other case) such amount as the Administrative Agent shall determine in a commercially reasonable manner.

18. ADMINISTRATORS AND RECEIVERS

18.1 Appointment of Administrator

At any time after the Security has become enforceable, the Administrative Agent may appoint an administrator pursuant to the power contained in paragraph 14 of Schedule B1 to the Insolvency Act 1986.

18.2 Appointment of Receivers

At any time after the Security has become enforceable or if the Chargors request it to do so, the Administrative Agent may, by written instrument and without notice to the Chargors, appoint any one or more persons as Receiver of such part of the Secured Assets as may be permitted by law.

18.3 Status of Receivers

Each Receiver shall:

- (a) be entitled to act individually as well as jointly with any other person appointed as Receiver; and
- (b) for all purposes be deemed to be the agent of the Chargors (and no Receiver shall at any time act as agent for the Administrative Agent) and shall as such

agent be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Law of Property Act 1925.

18.4 Powers of a Receiver

- (a) Every Receiver appointed pursuant to Clause 18.2 (*Appointment of Receivers*) shall have and be entitled to exercise all of the powers set out in paragraph (b) below in addition to (i) all the powers conferred by the Law of Property Act 1925 (as extended by this Debenture) on any receiver appointed under such Act and (ii) (whether or not such Receiver is an administrative receiver) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986.
- (b) The powers referred to in the first sentence of paragraph (a) above are:
 - (i) to take immediate possession of, get in and collect all or any part of the Secured Assets over which he is appointed;
 - (ii) to carry on the business of the Chargors insofar as it relates to the Secured Assets over which he is appointed as it may think fit, including the entering into of contracts and the repudiation, rescission or variation of any contract to which any Chargor is a party, and the acquisition or hiring of assets;
 - (iii) to make and effect all repairs and insurances and do all other acts which the Chargors might do in the ordinary course of their business or is obliged to do under the terms of this Debenture whether for the protection or for the improvement of the Secured Assets over which he is appointed and to commence and/or complete any building operations on the Chargors' Real Property over which he is appointed and to apply for and maintain any planning permissions, building regulation approvals and any other permissions, consents or licences, in each case as it may in his absolute discretion think fit;
 - (iv) to appoint, discharge and vary the terms of employment or other engagement of managers, officers, agents, accountants, servants, workmen and others for the purposes of this Debenture upon such terms as to remuneration or otherwise as it may think proper;
 - (v) for the purpose of exercising any of the powers, authorities and discretions conferred on it by or pursuant to this Debenture and/or of defraying any costs, charges, losses or expenses (including remuneration) which shall be incurred by it in the exercise thereof or for any other purpose, to raise and borrow money either unsecured or on the security of all or any part of the Secured Assets over which he is appointed either in priority to the Security or otherwise and generally on such terms and conditions as it may think fit and no person lending such money shall be concerned to enquire as to the propriety or purpose of the exercise of such power or to see to the application of any money so raised or borrowed;

- (vi) to sell, lease, exchange, grant options or licences over, convert into money and realise or otherwise deal with, all or any part of the Secured Assets over which he is appointed by public auction or private contract and generally in such manner and on such terms as it shall think proper. Without prejudice to the generality of the foregoing, it may do any of these things for a consideration consisting of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over such period as it may think fit. Fixtures, other than landlord's fixtures, may be severed and sold separately from the property containing them without the consent of the Chargors;
- (vii) to let all or any part of the Real Property over which he is appointed for such term and at such rent (with or without a premium) as it may think proper and to accept a surrender of any lease or tenancy thereof on such terms as it may think fit (including the payment of money to a lessee or tenant on a surrender);
- (viii) to settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargors or relating in any way to the Secured Assets over which he is appointed or any part thereof;
- (ix) to bring, prosecute, enforce, defend and abandon any actions, suits and proceedings in relation to the Secured Assets over which he is appointed or any part thereof as may seem to it to be expedient;
- (x) to give valid receipts for all moneys and execute all assurances and things which it may think proper or desirable for realising the Secured Assets over which he is appointed;
- (xi) to form a subsidiary or subsidiaries of the Chargors (whether by acquisition or otherwise) and to supervise and manage the same and to transfer or otherwise dispose to any such Subsidiary all or any part of the Secured Assets over which he is appointed;
- (xii) to make or require the directors of the Chargors to make calls upon the holders of share capital in the Chargors and to enforce payment of any unpaid calls as it sees fit;
- (xiii) to enter into or otherwise grant guarantees, indemnities or otherwise incur obligations in respect of the liabilities of third parties and to make payments due in relation to the same; and
- (xiv) to do all such other acts and things as it may consider desirable or necessary for realising all or any part of the Secured Assets over which he is appointed or incidental or conducive to any of the matters, powers or authorities conferred on a Receiver under or by virtue of this Debenture; to exercise in relation to all or any part of the Secured Assets over which he is appointed all such powers, authorities and

things as it would be capable of exercising if it were the absolute beneficial owner of the same; and to use the name of the Chargors for all or any of such purposes.

18.5 Removal and Remuneration

- (a) The Administrative Agent may whenever it may deem it expedient (and so far as it is lawfully able), by written instrument (i) remove any Receiver appointed by it and (ii) appoint a new Receiver in the place of any Receiver whose appointment has been terminated and may from time to time fix the remuneration of any Receiver appointed by it without the limitations imposed by Section 109 of the Law of Property Act 1925.
- (b) The Chargors shall be solely responsible for the payment of the remuneration of any Receiver appointed pursuant to this Debenture.

18.6 Administrative Agent's Rights

To the fullest extent permitted by law, all or any of the powers, authorities and discretions which are conferred by this Debenture (either expressly or impliedly) upon a Receiver in respect of the Secured Assets may, after the Security has become enforceable, be exercised by the Administrative Agent in relation to the whole or any part of the Secured Assets irrespective of whether or not a Receiver of all or any part of such Secured Assets has been appointed.

19. APPLICATION OF PROCEEDS

Any moneys held or received by the Administrative Agent or by any Receiver under or pursuant to this Debenture shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied by the Administrative Agent or by such Receiver, at such times as the Administrative Agent or the Receiver considers expedient, in the order set out in section 10.02(c) (*Remedies*) of the Credit Agreement.

20. POWER OF ATTORNEY

20.1 Appointment

By way of security for the performance of its obligations under this Debenture, each Chargor irrevocably appoints the Administrative Agent and any Receiver (and their respective delegates and sub-delegates) to be its attorney acting severally (or jointly with any other such attorney or attorneys) and on its behalf and in its name or otherwise to do any and every thing which such Chargor is obliged to do under the terms of this Debenture and which it has failed to do in the required time period (or where no time period is specified in a reasonable time period) or which such attorney considers necessary or desirable in order to exercise the rights conferred on it by or pursuant to this Debenture or by law.

20.2 Ratification

The Chargors ratify and confirm and agree to ratify and confirm whatever any attorney appointed under this Debenture shall do in their capacity as such.

21. PROTECTION OF ADMINISTRATIVE AGENT AND RECEIVERS

21.1 No Liability as Mortgagee in Possession

Neither the Administrative Agent nor any Receiver shall, by reason of it or such Receiver entering into possession of all or any part of the Secured Assets or taking any action permitted by this Debenture, be liable to account as mortgagee in possession or otherwise be liable for any loss of any kind or for any default or omission for which a mortgagee in possession might be liable.

21.2 Receivers and Mortgagees

Each Receiver and the Administrative Agent shall be entitled to all the rights, powers, privileges and immunities conferred by the Law of Property Act 1925 (as extended by this Debenture) on mortgagees and receivers when such receivers have been duly appointed thereunder and the Chargors alone shall be responsible for the Administrative Agent's and each Receiver's contracts, engagements, acts, omissions, defaults and losses and for all liabilities incurred by either of them and none of the Secured Creditors shall incur any liability therefor (either to the Chargors or to any other person).

22. PROTECTION OF THIRD PARTIES

No purchaser, mortgagee or other person or company dealing with the Administrative Agent or any Receiver or the agents of any of them shall have any need to enquire whether the Secured Obligations have become due and payable, or whether any power which the Administrative Agent or any Receiver is purporting to exercise has become exercisable or whether any of the Secured Obligations remains outstanding nor to have regard to the application of any money paid to the Administrative Agent or to such Receiver.

23. DELEGATION BY ADMINISTRATIVE AGENT

The Administrative Agent may at any time and from time to time delegate by power of attorney or in any other manner to any person or persons all or any of the powers, authorities and discretions which are for the time being exercisable by the Administrative Agent under this Debenture in relation to all or any part of the Secured Assets. Any such delegation may be made upon such terms (including power to sub-delegate) and subject to such regulations as the Administrative Agent may think fit. The Administrative Agent shall not be in any way liable or responsible to the Chargors for any loss or damage arising from any act, default, omission or misconduct on the part of any such delegate or sub-delegate.

24. REDEMPTION OF PRIOR MORTGAGES

The Administrative Agent may, at any time after the Security has become enforceable, redeem any prior encumbrance over all or any part of the Secured Assets or procure the transfer of such encumbrance to itself and may settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the Chargors. All principal moneys,

interest, costs, charges and expenses of and incidental to such redemption and transfer shall be paid by the Chargors to the Administrative Agent on demand.

25. RELEASE OF THE SECURITY

25.1 Release of Secured Assets

After the end of the Security Period or in respect of a permitted disposal in accordance with section 9.11 (*Disposition of Properties*) of the Credit Agreement, the Administrative Agent shall, at the request and cost of the Chargors, execute all such documents and do such other things as may be required to release the Secured Assets from the Security and procure the reassignment to the Chargors of the property and assets assigned to the Administrative Agent pursuant to this Debenture, in each case subject to Clause 25.2 (*Potentially Avoided Payments*) and without recourse to or any representation or warranty by or from the Administrative Agent.

25.2 Potentially Avoided Payments

If the Administrative Agent determines, acting reasonably, that an amount paid to a Secured Creditor under any Loan Document is capable of being avoided, reduced or otherwise set aside on the liquidation or administration of the person by whom such amount was paid, then for the purposes of this Debenture, such amount shall be regarded as not having been paid and the liability of the Chargors under this Debenture and the Security shall continue.

25.3 Re-assignment of Intellectual Property Rights

All Intellectual Property Rights assigned to the Administrative Agent under paragraph (d) of Clause 4.1 (*Assignments*) shall, at the end of the Security Period, be re-assigned unconditionally to each Chargor and this Clause 25.3 shall operate as an assignment of such Intellectual Property Rights effective as of the date of the end of the Security Period.

26. PAYMENTS

26.1 Grossing Up

All payments by the Chargors under this Debenture shall be made free and clear of, and without deduction for or on account of, tax except, in the latter case, to the extent that the Chargors are required by law to make payment subject to tax. If any tax or amounts in respect of tax must be deducted, or any other deductions must be made, from any amounts payable or paid by the Chargors, or paid or payable by the Administrative Agent to any Secured Creditor, under this Debenture, the Chargors shall pay such additional amounts as may be necessary to ensure that the relevant Secured Creditor receives a net amount equal to the full amount which it would have received had payment not been made subject to tax.

26.2 No Set-Off

All payments by the Chargors under this Debenture shall be made free and clear of and without deduction for or on account of any set-off or counter claim.

26.3 Manner of Payment

Each payment made by the Chargors under this Debenture shall be paid in the manner in which payments are to be made by the Chargors under the Credit Agreement.

27. COSTS AND EXPENSES

27.1 Transaction Costs

The Chargors shall from time to time on demand of the Administrative Agent reimburse the Administrative Agent on a full indemnity basis for all reasonable costs and expenses (including legal fees), incurred by, or any remuneration payable to, the Administrative Agent in connection with the negotiation, preparation, execution and perfection of this Debenture and the implementation of the arrangements contemplated in this Debenture.

27.2 Preservation and Enforcement Costs

The Chargors shall, from time to time on demand of the Administrative Agent, reimburse each Secured Creditor on a full indemnity basis for all costs and expenses (including legal fees) incurred in or in connection with the preservation and/or enforcement of any of the rights of such Secured Creditor under this Debenture.

27.3 Taxes

The Chargors shall promptly pay all stamp, registration, documentary and other taxes, including any penalties, fines, supplements, surcharges or interest relating to such taxes to which this Debenture or any judgment given in connection with this Debenture is or at any time may be subject and shall from time to time on demand of the Administrative Agent indemnify each Secured Creditor against any liabilities, costs, claims and expenses (including legal fees) resulting from any failure to pay or any delay in paying any such tax.

27.4 Indemnity

The Chargors shall indemnify and hold harmless the Administrative Agent and any and every Receiver on demand by the Administrative Agent and any Receiver from and against any and all costs, claims, losses, expenses (including legal fees) and liabilities, and any VAT thereon, which the Administrative Agent or a Receiver may incur as a result of the occurrence of any Event of Default, the enforcement of the Security or the exercise or enforcement by the Administrative Agent or a Receiver of any of the rights conferred on it or them by this Debenture or by law.

27.5 Value Added Tax

- (a) All amounts expressed to be payable under this Debenture by the Chargors to a Secured Creditor shall be exclusive of any VAT. If VAT is chargeable on any supply made by a Secured Creditor to the Chargors under this Debenture (whether that supply is taxable pursuant to the exercise of an option or otherwise), the Chargors shall pay to that Secured Creditor (in addition to and at the same time as paying that consideration) an amount equal to the amount of the VAT as further consideration.

- (b) No payment or other consideration to be made or furnished to the Chargors pursuant to or in connection with this Debenture may be increased or added to by reference to (or as a result of any increase in the rate of) any VAT which shall be or may become chargeable in respect of any taxable supply.
- (c) Where this Debenture requires any party to reimburse a Secured Creditor for any costs or expenses, that party shall also pay any amount of those costs or expenses incurred referable to VAT charged thereon.

28. ASSIGNMENTS AND TRANSFERS

28.1 The Chargors' Rights

None of the rights and benefits of the Chargors under this Debenture shall be capable of being assigned or transferred and the Chargors undertake not to seek to assign or transfer all or any of such rights and benefits.

28.2 The Administrative Agent's Rights

The Administrative Agent may only assign or transfer all or any of its rights and benefits under this Debenture in accordance with the Loan Documents.

29. REMEDIES AND WAIVERS

No failure by the Administrative Agent to exercise, nor any delay by the Administrative Agent in exercising, any right or remedy under this Debenture shall operate as a waiver thereof nor shall any single or partial exercise of any such right or remedy prevent any further or other exercise thereof or the exercise of any other such right or remedy.

30. SET-OFF

30.1 Right to Set-Off

Each Secured Creditor may (to the extent that the same is beneficially owned by it) set off its rights in respect of any matured Secured Obligation against any obligation (whether or not matured) owed by such Secured Creditor to the Chargors, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, such Secured Creditor may convert either obligation at a market rate of exchange in its usual course of business for the purpose of effecting such set-off.

30.2 No Obligation

No Secured Creditor shall be obliged to exercise any right given to it by Clause 30.1 (*Right to Set-Off*).

30.3 Time Deposits

Without prejudice to Clause 30.1 (*Right to Set-Off*), if any time deposit matures on any Account any Chargor has with any Secured Creditor at a time within the Security Period when:

- (a) the Security has become enforceable; and
 - (b) no amount of the Secured Obligations is due and payable,
- such time deposit shall automatically be renewed for such further period as such Secured Creditor in its absolute discretion considers appropriate.

31. ADDITIONAL PROVISIONS

31.1 Partial Invalidity

If at any time any provision of this Debenture is or becomes illegal, invalid or unenforceable in any respect or any or all of the Security is or becomes ineffective in any respect under the law of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this Debenture or the effectiveness in any other respect of such Security; or
- (b) the legality, validity or enforceability of such provision or the effectiveness of such Security under the laws of any other jurisdiction.

31.2 Currency Conversion

In order to apply any sum held or received by the Administrative Agent or a Receiver in or towards payment of the Secured Obligations, the Administrative Agent or such Receiver may purchase an amount in another currency and the rate of exchange to be used shall be that at which, at such time as it considers appropriate, the Administrative Agent or such Receiver is able to effect such purchase.

31.3 Currency Indemnity

If any sum due from the Chargors under this Debenture or any order or judgment given or made in relation to this Debenture has to be converted from the currency (the "first currency") in which the same is payable under this Debenture or under such order or judgment into another currency (the "second currency") for the purpose of (a) making or filing a claim or proof against the Chargors, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to this Debenture, the Chargors shall indemnify and hold harmless each Secured Creditor from and against any loss it suffers or incurs as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Secured Creditor may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

31.4 Rights Cumulative

The rights and remedies provided by this Debenture are cumulative and not exclusive of any rights or remedies provided by law.

31.5 Unfettered Discretion

Any liberty or power which may be exercised or any determination which may be made under this Debenture by the Administrative Agent or any Receiver may, subject to the terms and conditions of the Credit Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

31.6 Joint and several liabilities

The covenants, agreements, obligations and liabilities of the Chargors contained in this Debenture or implied on their part are joint and several and shall be construed accordingly.

32. NOTICES

Each communication and/or notice to be made under this Debenture shall be made in accordance with section 12.01 (*Notices*) of the Credit Agreement.

33. THE LAND REGISTRY

In respect of the Real Property specified in Part 1 (*Real Property*) of Schedule 1 (*Details of Certain Assets*) the title to which is registered at the Land Registry and in respect of any other registered title(s) against which this Debenture may be noted, each Chargor authorises the Administrative Agent to:

- (a) make an application on form RX1 (or such other form as may be prescribed from time to time) to enter the following restriction against the relevant registered estate;

“No disposition of the registered estate by the proprietor of the registered estate is to be registered without a written consent signed by the proprietor for the time being of the charge dated [*insert date*] in favour of BNP Paribas referred to in the Charges Register (or its conveyancer) or their conveyancer”;

- (b) to enter a note of the obligation to make further advances by the Secured Creditors on the charges register of any registered land forming part of the Secured Assets; and
- (c) to note this Debenture on the charges register.

34. GOVERNING LAW

This Debenture and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.

35. JURISDICTION

35.1 Courts of England and Wales

Each Chargor and the Administrative Agent irrevocably agrees that the courts of England and Wales shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with

this Debenture or any non-contractual obligations arising out of or in connection with this Debenture (respectively "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

35.2 Appropriate Forum

Each Chargor irrevocably waives any objection which it might now or hereafter have to Proceedings being brought or Disputes settled in the courts of England and Wales and agrees not to claim that any such court is not a convenient or appropriate forum.

35.3 Proceedings in Other Jurisdictions

Nothing in Clause 35.1 (*Courts of England and Wales*) shall (nor shall it be construed so as to) limit the right of the Administrative Agent to take Proceedings against any Chargor in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

35.4 General Consent

Each Chargor consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.

35.5 Waiver of Immunity

To the extent that each Chargor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that in any such jurisdiction there may be attributed to itself, its assets or revenues such immunity (whether or not claimed), each Chargor irrevocably agrees not to claim, and irrevocably waives, such immunity to the full extent permitted by the laws of such jurisdiction.

36. COUNTERPARTS AND EFFECTIVENESS

36.1 Counterparts

This Debenture may be executed in counterparts and both such counterparts taken together shall be deemed to constitute one and the same instrument.

36.2 Effectiveness

This Debenture shall take effect and be delivered as a deed on the date on which it is stated to be made.

IN WITNESS WHEREOF this Debenture has been executed as a deed by each Chargor and has been signed on behalf of the Administrative Agent.

SCHEDULE 1
DETAILS OF CERTAIN ASSETS

Part 1
Real Property

Asset	Credit Party	Location	Interest	Partners	Licence	Title Number (Registered Land)
			None			

Part 2
Material Contracts

Contract	Parties	Description	Date
Midas Exploitation and Exploration Agreement	ANH and Midas Temporary Union	Exploration and production agreement in relation to the Midas Block	5 April 2006
Property Licence	City & Westminster Corporate Finance LLP and Petrolatina Energy Limited	Licence to jointly occupy Office 12 at 50 Jermyn Street London SW1Y 6LX	n/a

Part 3
Shares

Shareholder Name	Issuer	Share Type	Number of Shares
Petrolatina Energy Limited	PetroLatina (CA) Limited	Ordinary	1
Petrolatina Energy Limited	Taghmen Argentina Limited	Ordinary	100
Petrolatina (CA) Limited	Taghmen Colombia S.L.	Ordinary	3,100
Petrolatina Energy Limited	Petroleos del Norte S.A.	Ordinary	350
Petrolatina (CA) Limited	Petroleos del Norte S.A.	Ordinary	2,020,085
Taghmen Argentina Limited	Petroleos del Norte S.A.	Ordinary	100
Petrolatina (CA)	RL Petroleum Corp.	Common Stock	10,000

Limited

Petrolatina (CA)
Limited

North Riding Inc.

Common Stock

10,000

**Part 4
Licences**

Parties

Description

Date

None

**Part 5
Registered Intellectual Property Rights**

Parties

Description

Date

None

**Part 6
Accounts**

Account Holder

Sort Code

**Account
Number**

Type of Account

Currency

Taghmen Argentina
Limited

[REDACTED]

[REDACTED]

Interest bearing
current a/c

GBP

[REDACTED]

[REDACTED]

Current

USD

Taghmen Argentina
Limited Argentinian
Branch

[REDACTED]

[REDACTED]

Current

USD

Petrolatina (CA)
Limited

[REDACTED]

[REDACTED]

Current

GBP

Petrolatina Energy Plc

[REDACTED]

[REDACTED]

Current

GBP

Petrolatina Energy Plc

[REDACTED]

[REDACTED]

Current

USD

SCHEDULE 2

FORMS OF NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

Part 1

Form of Notice to Insurer¹

To: [●]

[Date]

Dear Sirs

We hereby give you notice that, pursuant to a Debenture dated [●] we have charged and assigned to BNP Paribas (as agent and security trustee for the Secured Creditors referred to in the Debenture, the "Administrative Agent") all our rights, title, interests and benefits in, to or in respect of the insurance policies with you detailed in Part A of the Schedule attached hereto (the "Insurances") including all claims and returns of premiums in respect thereof to which we are, or may at any future time become, entitled.

With effect from your receipt of this notice we hereby request and instruct that:

1. you immediately name the Secured Creditors (details of whom are set out in Part B of the Schedule attached hereto) and the Administrative Agent (in its capacity as agent and security trustee) as loss payee in respect of each of the Insurances;
2. upon receipt by you of a notice from the Administrative Agent that the security granted by the Debenture in respect of the Insurances has become enforceable:
 - (a) all payments under or arising from the Insurances are to be made to the Administrative Agent or held to its order;
 - (b) all remedies provided for in the Insurances or available at law or in equity are to be exercisable by the Administrative Agent;
 - (c) all rights to compel the performance of the Insurances are to be exercisable by the Administrative Agent; and
 - (d) all rights, title, interests and benefits whatsoever accruing to or the benefit of ourselves arising from the Insurances shall belong to the Administrative Agent; and
3. you give notice to the Administrative Agent promptly in writing:
 - (a) if we propose to cancel or give notice of cancellation of any Insurance, at least 30 days before such cancellation is to take effect;

¹ [Subject to review by Insurance Broker]

- (b) of any material alteration or the termination or expiry of any such Insurance, at least 30 days before such alteration, termination or expiry is to take effect; and
- (c) of any default in the payment of any premium or failure to renew any such Insurance and shall give the Administrative Agent not less than 30 days in which to pay the defaulted premium without cancelling the policy during such 30-day period.

Please confirm your receipt of this notice and your acknowledgement of the matters and instructions set out above by signing and dating the Acknowledgement of Assignment set out on the enclosed copy of this notice, and returning the same to the Administrative Agent with a copy to ourselves.

Yours faithfully

.....
(Authorised signatory)

[PETROLATINA ENERGY LIMITED]

Schedule

Part A: Relevant Insurance Policies

[List All Policies in respect of which notice given]

Part B: Secured Creditors

[BNP Paribas]

Part 2
Form of Acknowledgment of Assignment

[To be printed only on the copy of the Notice of Assignment given]

To: BNP Paribas

as Administrative Agent

[Address]

Attention: [•]

Facsimile No.: [•]

Telephone No.: [•]

Dear Sirs

We hereby acknowledge receipt of a notice in the terms set out above (the "Notice").

We confirm that we shall hereafter act in accordance with the Notice and that, save in respect of the notice of assignment from *[insert name of relevant Chargor]* in 2011 and the notice of transfer from BNP Paribas dated 11 May 2012, each in respect of the Debenture dated 11 December 2011 and the subsequent notice of reassignment relating to such documents and dated [] 2014, we have not received any other notice of any other third party interests whether by way of assignment or charge in respect of any of the Insurances.

We further confirm that no amendment or termination of any of the Insurances shall be effective unless we have given you [30] days' prior written notice of our intention to so amend or terminate the same.

Yours faithfully

.....
(Authorised signatory)
[AON Limited]

Date:

Part 3
Form of Notice to Bank with whom Account Maintained

To: [Account Bank]

Dear Sirs

We hereby give you notice that pursuant to a Debenture dated _____ 2014 we have assigned to BNP Paribas (as agent and security trustee for the Secured Creditors referred to in the Debenture, the "Administrative Agent") all of our rights, title, interests and benefits in, to or in respect of account number [●], account name [●] maintained with you (including any renewal or redesignation thereof) (the "Account") and all monies standing to the credit of that Account from time to time.

Upon receipt by you of a notice from the Administrative Agent that the security granted by the Debenture in respect of the Account has become enforceable:

- (a) any existing payment instructions affecting the Account are to be terminated and all payments and communications in respect of the Account should be made only to the Administrative Agent or to its order (with a copy to ourselves); and
- (b) all rights, interests and benefits whatsoever accruing to or arising from the Account shall be exercisable by and shall belong to the Administrative Agent.

For the avoidance of doubt, until receipt of such notice of the security becoming enforceable, we shall enjoy full access to and right of withdrawal from the Account.

We agree that you are not bound to enquire whether the right of any person (including, but not limited to, the Administrative Agent) to withdraw any monies from the Accounts has arisen or be concerned with (A) the propriety or regularity of the exercise of that right or (B) notice to the contrary or (C) to be responsible for the application of any monies received by such person (including, but not limited to, the Administrative Agent). Further, we agree that you shall have no liability for having acted on instructions from any person (including, but not limited to, the Administrative Agent) which on their face appear to be genuine, and, prior to receipt of a notice from the Administrative Agent (as referred to above), which comply with the latest bank mandate held by you or relevant electronic banking system procedures in the case of an electronic instruction. You, as account bank, shall not be deemed to be a trustee for the Chargor or the Administrative Agent of the Accounts.

Please acknowledge receipt of this notice by signing and dating the acknowledgement printed on the enclosed copy of this Notice and returning it to the Administrative Agent.

Yours faithfully

.....
for and on behalf of
[COMPANY]

Part 4
Form of Acknowledgement of Assignment

[To be printed only on copy of the Notice of Assignment given]

To: BNP Paribas

as Administrative Agent

[Address]

Attention: [●]

Facsimile No.: [●]

Telephone No.: [●]

Dear Sirs

We hereby acknowledge receipt of a notice in the terms set out above.

We confirm that:

- (a) there are no restrictions on (i) the payment of the credit balance on the Account [(except the expiry of the relevant notice period)] or (ii) the assignment of the Account to the Administrative Agent or any third party;
- (b) save in respect of the notice of assignment from [insert name of relevant Chargor] in 2011 and the notice of transfer from BNP Paribas dated 11 May 2012, each in respect of the Debenture dated 11 December 2011 and the subsequent notice of reassignment relating to such documents and dated [] 2014, we have not received notice of any other assignment of, charge over or trust or other third party interests in respect of the Account and we will not, following receipt of a notice from the Administrative Agent that the security has become enforceable, without the Administrative Agent's consent (i) exercise in priority to the Debenture any right of combination, consolidation or set-off other than in relation to our standard bank charges which we may have in respect of the Account or (ii) amend or vary any rights attaching to the Account; and
- (c) we will, following receipt of a notice from the Administrative Agent that the security has become enforceable, act only in accordance with the instructions given by the Administrative Agent or persons authorised by the Administrative Agent and we shall send all statements and other notices given by us relating to the Account to the Administrative Agent.

Yours faithfully

.....
For and on behalf of [●]

By:

Date:

Part 5
Form of Notice to Material Contract Party

To: [●]

Dear Sirs

We hereby give you notice that pursuant to a Debenture dated [●] we have charged and assigned to BNP Paribas (as agent and security trustee for the Secured Creditors under the Debenture (the "Administrative Agent")), all our rights, title, interests and benefits in, to or in respect of [details of contract] (the "Contract") including all monies which may be payable in respect of the Contract.

Upon receipt by you of a notice from the Administrative Agent that the security granted by the Debenture in respect of the Contract has become enforceable, we have agreed that:

- (a) [all payments to be made to us under or arising from the Contract should be made [to the Administrative Agent or to its order as it may specify in writing from time to time/to [specify bank account]];
- (b) all remedies provided for in the Contract or available at law or in equity shall be exercisable by the Administrative Agent;
- (c) all rights to compel performance of the Contract shall be exercisable by the Administrative Agent (although the Chargors shall remain liable to perform all the obligations assumed by it under the Contract); and
- (d) all rights, title, interests and benefits whatsoever accruing to or for the benefit of ourselves arising from the Contract belong to the Administrative Agent and no changes may be made to the terms of the Contract nor may the Contract be terminated without the Administrative Agent's consent.

You are hereby authorised and instructed, without requiring further approval from us, to provide the Administrative Agent with such information relating to the Contract as it may from time to time request and to send copies of all notices issued by you under the Contract to the Administrative Agent as well as to us.

These instructions may not be revoked, nor may the terms of the Contract be amended, varied or waived without the prior written consent of the Administrative Agent.

Please acknowledge receipt of this notice by signing and dating the acknowledgement set out on the enclosed copy and returning it to the Administrative Agent.

Yours faithfully

.....
for and on behalf of
[COMPANY]

Part 6
Form of Acknowledgement of Assignment of Material Contract

[To be printed only on copy of the relevant Notice of Assignment given]

To: BNP Paribas

as Administrative Agent

[Address]

Attention: [•]

Facsimile No.: [•]

Telephone No.: [•]

Dear Sirs

We acknowledge receipt of a notice in the terms set out above (the "Notice"). We confirm that, save in respect of the notice of assignment from [insert name of relevant Chargor] in 2011 and the notice of transfer from BNP Paribas dated 11 May 2012, each in respect of the Debenture dated 11 December 2011 and the subsequent notice of reassignment relating to such documents and dated [] 2014, we have not received notice of any previous assignments or charges of or over any of the rights, title, interests and benefits in, to or in respect of the Contract and that we will comply with the terms of the Notice.

We further agree and confirm that following receipt of a notice from the Administrative Agent that the security in respect of the Contract has become enforceable:

- (a) no amendment, waiver or release of any provision of the Contract shall be effective without the prior written consent of the Administrative Agent; and
- (b) we will not terminate the Contract or take any action in relation to any breach thereof by the Chargors unless we have given the Administrative Agent [30] days' prior written notice of our intention to do so specifying the action necessary by the Chargors or the Administrative Agent to avoid such termination or action.

Yours faithfully

.....
For and on behalf of [•]

By:

Date:

SCHEDULE 3
THE ADMINISTRATIVE AGENT AS SECURITY TRUSTEE

1. Administrative Agent as holder of security

Unless expressly provided to the contrary, the Administrative Agent holds any security created by this Debenture on trust for the Secured Creditors. The perpetuity period for such trust is 125 years.

2. Responsibility

The Administrative Agent is not liable or responsible to any other Secured Creditor for:

- (a) any failure in perfecting or protecting the security created by this Debenture; or
- (b) any other action taken or not taken by it in connection with this Debenture,

unless directly caused by its gross negligence or wilful misconduct.

3. Powers supplemental

The rights, powers and discretions conferred upon the Administrative Agent by this Debenture shall be supplemental to the Trustee Act 1925 and the Trustee Act 2000 and in addition to any which may be vested in the Administrative Agent by general law or otherwise.

4. Disapplication

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Administrative Agent in relation to the trusts constituted by this Debenture. Where there are any inconsistencies between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Debenture, the provisions of this Debenture shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Debenture shall constitute a restriction or exclusion for the purposes of that Act.

5. Title

The Administrative Agent may accept, without enquiry, the title (if any) any chargor may have to any asset over which security is intended to be created by this Debenture.

6. Possession of documents

The Administrative Agent is not obliged to hold in its own possession this Debenture or any title deed or other document in connection with any asset over which security is intended to be created by this Debenture. Without prejudice to the above, the Administrative Agent may allow any bank providing safe custody services or any professional adviser to the Administrative Agent to retain any of those documents in its possession.

7. Investments

Except as otherwise provided in this Debenture, all moneys received by the Administrative Agent under this Debenture may be invested in the name of, or under the control of, the

Administrative Agent in any investments selected by the Administrative Agent. Additionally, those moneys may be placed on deposit in the name of, or under the control of, the Administrative Agent at any bank or institution (including itself) and upon such terms as it may think fit.

8. Receivers' Indemnity

In no circumstances shall the Administrative Agent itself be obliged to give an indemnity to any receiver who requires an indemnity as a condition of appointment.

9. Tax

The Administrative Agent shall have no responsibility whatsoever to any Secured Creditor as regards any deficiency which might arise because the Administrative Agent is subject to any tax or withholding from any payment made by it under this Debenture.

SIGNATORIES

CHARGOR

Executed as a deed by **PETROLATINA ENERGY LIMITED** acting Juan C. Rodriguez, a director, in the presence of: Pawan Sharma as witness:



Name: Juan C. Rodriguez
Director



Name: PAWAN SHARMA
Address: 50 SERAPHIM STREET, LONDON
Occupation: ENEC. V.P.

[Signature page to the Debenture]

CHARGOR

Executed as a deed by **PETROLATINA (CA) LIMITED** acting by Juan C. Rodriguez a director, in the presence of: Pawan Sharma, as witness:



Name: Juan C. Rodriguez
Director



Name: Pawan Sharma
Address: 50 DENHAM STREET, LONDON
Occupation: Exec. v l.

[Signature page to the Debenture]

CHARGOR

Executed as a deed by **TAGHMEN ARGENTINA LIMITED** acting by Juan C. Rodriguez, a director, in the presence of: Pawan Sharma as witness:



Name: Juan C. Rodriguez
Director



Name: Pawan Sharma
Address: 50 DEAN ST, LONDON
Occupation: EXIC. V.L

[Signature page to the Debenture]


ADMINISTRATIVE AGENT

Executed by BNP PARIBAS acting by:



Jean Talbot
Managing Director

.....
Name:
Authorised Signatory

and


.....
Name: **Juan Carlos Sandoval**
Authorised Signatory Director

in the presence of:


.....
as witness
Name: GIOVANNI BERNARDI
Address: 333 Clay St. SUITE 4725, HOUSTON, TX 77002 USA
Occupation: ASSOCIATE, BNP PARIBAS

[Signature page to the Debenture]